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FOREIGN CROPS and MARKETS

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LATE FOREIGN DEVELOPMENTS

DENMARK: On October 6, 1942, the number of hogs in Denmark was 1,600,000, and showed an increase above the low level reached in July but was 21 percent and 50 percent, respectively, below October estimates for 1941 and pre-war (1939). Pork production in the first 8 months of the year amounted to 146 million pounds, a decrease of 38 percent compared with a year earlier. Slaughter supplies are increasing but are still insufficient to cover demands of the domestic market. Only 26,000 hogs were slaughtered in August 1942, against 64,000 in July and 114,000 in August 1941.

DENMARK: Supplies of slaughter cattle were more than sufficient to cover domestic demands. Beef production in the first 8 months of 1942 totaled 207 million pounds against 211 million pounds a year earlier.

DENMARK: Milk production for the first 8 months of 1942 amounted to 4,517 million pounds, or about 9 percent less than during the same period of 1941. Butter production during these 8 months of 1942 totaled 165 million pounds as compared with 190 million pounds during the same period of 1941.

DENMARK: Egg production for the first 8 months of 1942 totaled 52 million pounds as compared with 93 million pounds during the same period of 1941.

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G R A I N S

CANADA'S THRESHING RETURNS
SUPPORT EARLY RECORD ESTIMATES . . .

Canada's principal grain crops, as estimated on November 13 by the Dominion Bureau of Statistics, show minor reductions from the first estimate, thus supporting the preharvest forecasts of record crops. The new estimates for wheat at 607,688,000 bushels, or 7,555,000 bushels below the first estimate, is still an all-time record. Of this downward revision, Saskatchewan accounts for 5 million and Alberta for 2 million bushels. Durum included in the total is still placed at the September appraisal of 9.7 million bushels. The largest reductions noted are in barley and oats, estimates for which were decreased 14 and 9 million United States bushels, respectively. The late-grown grain and fodder crops, on the other hand, show slight increases. In the case of corn for grain, the increase was accomplished despite the abandonment of an appreciable proportion of the sown acreage in Manitoba.

CANADA: Production of grains and fodder, 1940, 1941,
and estimates for 1942

| Crop | 1940 | 1941 | 1942 | |
|----------------------|---------------|---------------|----------------|-----------------|
| | | | First estimate | Second estimate |
| | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels |
| <u>GRAIN</u> | | | | |
| Wheat- | | | | |
| Fall | 22,099 | 15,056 | 23,997 | 23,391 |
| Spring | 518,091 | 296,769 | 591,246 | 584,297 |
| Total | 540,190 | 311,825 | 615,243 | 607,688 |
| Oats a/ | 404,309 | 324,673 | 702,011 | 692,724 |
| Barley | 104,256 | 110,566 | 272,910 | 259,234 |
| Rye- | | | | |
| Fall | 10,357 | 9,257 | 19,381 | 18,201 |
| Spring | 3,637 | 2,402 | 7,113 | 6,502 |
| Total | 13,994 | 11,659 | 26,494 | 24,703 |
| Buckwheat | 6,692 | 4,788 | 5,110 | 5,310 |
| Mixed grains | 43,133 | 48,658 | 64,620 | 68,365 |
| Corn for grain | 6,956 | 13,362 | 13,626 | 14,372 |
| <u>FODDER</u> | | | | |
| | 1,000 tons | 1,000 tons | 1,000 tons | 1,000 tons |
| Hay and clover | 14,070 | 12,632 | 15,498 | 16,942 |
| Alfalfa | 2,588 | 2,727 | 3,935 | 3,735 |
| Fodder corn | 4,115 | 4,154 | 4,324 | 4,491 |

From Dominion Bureau of Statistics, Ottawa.

a/ Production converted to United States bushels of 32 pounds.

The late harvest has slowed wheat deliveries considerably this season. Delivery quotas, which determine the allocation of available storage space, are in force for a third season. Quotas at some points have been increased recently, about half the points now being permitted 8 bushels per acre and most of the remainder 5 to 7 bushels, though a few places in Alberta are allowed 12 and 14 bushels. All points are permitted to deliver as much as 10 bushels each of oats and barley, with the quota as high as 12 and 15 bushels at a few points where space is available. The quota restricts rye deliveries to 5 bushels at 75 percent of all points. With these quotas in effect, deliveries do not, of course, reflect a normal relationship between production and marketings.

PRAIRIE PROVINCES: Grain production and primary deliveries
for the period August 1 - November 5, 1940-1942

| Grain | 1940 | | 1941 | | 1942 | |
|---------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Production | Deliveries | Production | Deliveries | Production | Deliveries |
| | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels |
| Wheat | 513,800 | 215,981 | 293,000 | 102,167 | 530,000 | 94,521 |
| Oats a/ | 243,000 | 10,785 | 139,000 | 17,299 | 531,000 | 33,394 |
| Barley. | 83,000 | 8,260 | 94,700 | 17,129 | 241,000 | 31,605 |
| Rye ... | 12,200 | 2,241 | 10,000 | 3,924 | 23,000 | 2,593 |

From the Dominion Bureau of Statistics, Ottawa.

a/ Converted to United States bushels of 32 pounds.

As a result of the late harvest and the unfavorable weather during the harvest season, about half of the record wheat crop is expected to grade below No. 2 Northern. Since country elevators are estimated to have in store about 133 million bushels of old-crop wheat, which is mainly No. 1 and No. 2 Northern, much of this old-crop wheat is expected to come out of storage and show up in inspections with the new crop. Large supplies of No. 1 and No. 2 Northern are also reported in store in terminal elevators.

The Board of Grain Commissioners announced on November 4 that laboratory tests show the wet season to have resulted in a wheat crop characterized by low protein content and baking strength. The weight per bushel of the new crop is reported above that of last year, and the gluten quality is said to be good; the baking strength though reduced is not as low as might have been expected in view of the low protein content.

The area sown to fall wheat in the autumn of 1942 is placed at 576,000 acres, which is 213,000 acres, or 27 percent, less than the 1941 fall sowings. The condition of fall wheat and rye sowings on October 31 was reported at 94 percent of the long-time average. Fall-rye sowings,

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estimated at 624,000 acres, show a decrease of 428,000 acres, or 41 percent compared with those of last year. The bulk of the reduction in fall-sown rye falls within Saskatchewan, where this year's seedings of 339,000 acres contrast with 677,000 acres last year.

Fall ploughing on October 31 was behind that of the corresponding date a year ago. For all Canada, 33 percent of fall ploughing was completed this year on October 31 as compared with 45 percent at the same date the past year. Saskatchewan and Alberta are the Provinces in which ploughing was most backward at the time of the report.

NEW ZEALAND'S 1941-42 GRAIN-CROP ESTIMATES SHOW DOWNWARD REVISION . . .

The grain crops harvested in New Zealand during January-April 1942, are now indicated to have been smaller than previously estimated. The country normally produces enough oats, barley, and corn to fill its needs, and at present there are reported to be large surpluses of corn and oats in the country. Wheat, on the contrary, has never been produced in sufficient quantities to attain the desired self-sufficiency. The 1941-42 crop, now estimated at 8.6 million bushels, compares with earlier estimates of about 10 million bushels. Wheat imported from Australia this year was reported at about 2 million bushels, with a further 1 million bushels contracted for. It is thought that the crop plus these imports will cover the country's needs until mid-April, even with increased requirements. Consumption in recent years has averaged around 9 million bushels.

NEW ZEALAND: Grain acreage and production, 1941-42 with comparisons

| Crop | Average 1934-35 to 1938-39 | 1939-40 | 1940-41 | 1941-42 |
|--------------|----------------------------------|------------------|------------------|------------------|
| Acreage - | 1,000 acres | 1,000 acres | 1,000 acres | 1,000 acres |
| Wheat | 214 | 258 | 243 | 353 |
| Oats | 63 | 50 | 72 | 58 |
| Barley | 22 | 25 | 32 | 34 |
| Corn | 7 | 8 | 11 | 12 |
| Production - | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 bushels |
| Wheat | 6,714 | 8,010 | 8,306 | 8,600 |
| Oats | 3,491 | 2,601 | 3,375 | 3,188 |
| Barley | 862 | 954 | 1,002 | 1,354 |
| Corn | 312 | 404 | 500 | a/ 315 |

Compiled from official sources and consular reports. a/ Estimated.

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VEGETABLE OILS AND OILSEEDSARGENTINE VEGETABLE-OIL EXPORTS
REACH HIGH LEVEL . . .

Exports of vegetable oils from Argentina during the first 7 months of 1942 totaled 148,451,000 pounds compared with 105,521,000 during the entire year of 1941. Shipments of sunflower-seed oil accounted for 60 percent of the volume and exceeded those of last year by 241 percent. Linseed-oil exports also show a large increase, but all other vegetable oils declined.

ARGENTINA: Exports of vegetable oils, 1940, 1941,
and January-July 1942

| Vegetable oils | 1940 | 1941 | January-July 1942 |
|----------------------|---------------------|---------------------|----------------------|
| | <u>1,000 pounds</u> | <u>1,000 pounds</u> | <u>1,000 pounds</u> |
| Sunflower seed | - | 26,032 | 88,819 |
| Linseed | 12,751 | 21,418 | 32,628 |
| Rapeseed | - | 26,572 | 15,110 |
| Peanut | 851 | 14,740 | 7,881 |
| Cottonseed | 2,581 | 15,523 | 3,100 |
| Corn | 9 | 1,091 | 767 |
| Castor | 7 | 145 | 146 |
| Total | 16,199 | 105,521 | 148,451 |

American Embassy, Buenos Aires.

CANADIAN SOYBEAN ACREAGE
CONSIDERABLY ABOVE LAST YEAR . . .

There was a marked expansion in the acreage sown to soybeans in Canada in 1942, most of it taking place in the Province of Ontario, according to a report of the Dominion Bureau of Statistics, Ottawa. The western Provinces and Quebec also produced soybeans, but the commercial quantities available in those areas will probably be very small as the bulk of the production is being retained for seed. A preliminary estimate places the area for all of Canada at 45,000 acres, compared with 15,000 in 1941. Approximately 92 percent of the acreage is in the Province of Ontario. The yield has been tentatively set at 21 bushels per acre, which would indicate a crop of around 870,000 bushels in that Province. Of this amount, probably 700,000 bushels will be crushed for oil and meal. Estimates from western Provinces suggest that possibly 3,000 bushels of beans will be marketed in Manitoba but none in Saskatchewan and Alberta.

Canada has been an importer of soybeans, oil, and meal, for many years. With the decreased imports of vegetable oils from the Far East, a much greater interest is now being taken in stimulating larger domestic production of soy beans. Equipment is available in Ontario to handle the crushing this season and there is a market in eastern Canada for the cake and meal, although it will have competition from linseed cake and meal that will also be available in large quantities.

The Wheat Board is empowered to purchase soybeans from producers at \$1.96 per bushel for No. 1 grade and \$1.95 for No. 2, delivered in Toronto. Discounts for beans grading tough, damp, moist, or wet are from 2 to 20 cents per bushel under the straight grade.

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CUBA FACES SHORTAGE OF FATS AND OILS . . .

Cuban imports of vegetable oils during September were unusually small, amounting to only 11,000 pounds, while in the preceding month they reached 975,000 pounds. Arrivals during January-September totaled 10,216,000 pounds, an increase of 1,370,000 pounds over the same period in 1941. These figures reflect the increased consumption of vegetable oils in Cuba. Reduced imports of oils and fats during the July-September quarters severely depleted supplies. Stocks of lard declined from 8,600 pounds in June to 3,500 in September and were practically exhausted by the end of September, according to trade sources. Supplies of peanut, soybean, cottonseed, and olive oil were also reduced.

Since the commercial production of lard in Cuba is inadequate to supply more than a fraction of domestic requirements, it is important that imports be increased in the near future. In view of the shortage of lard, the consumption of substitute vegetable oils will probably be much greater.

The Office of Price Control and Supply requires all retail merchants holding 50 quintals (1 Spanish quintal is equivalent to 101 pounds) or more of oil and fats and all wholesale merchants dealing in these commodities to declare their stock at the end of each month. During September the oil and fat shortage caused pressure on the price structure, leading to a resolution establishing ceiling prices on hog lard and soybean oil in the municipalities of Habana, Marianao, Regla, and Guanabacoa. This resolution prohibits the sale of edible vegetable oils at prices higher than those for lard and soybean oil, with the exception of peanut and olive oil. A ceiling price for peanut oil was established earlier this year. By the end of September the sale of olive and mixed oils was suspended due to lack of supply.

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C O T T O N - O T H E R F I B E R S

EGYPT'S COTTON EXPORTS REMAIN LOW . . .

Cotton exports from Egypt during August-October 1942 amounted to only 94,000 bales (of 478 pounds) compared with 387,000 bales for the corresponding period in 1941. The heavy export movement (1,105,000 bales) last season, mostly to Great Britain, India, and the United States, is believed to be partly responsible for the current lack of interest in Egyptian cotton. In addition, a shortage of the better grades of extra-long staple cotton from previous crops makes it necessary for exporters to await the arrival of new crop cotton to fill outstanding orders. Exports to the United States totaled 207,000 bales in 1941-42 (August-July). The possible reopening of the Mediterranean shipping route is not likely to cause a sharp increase in exports of Egyptian cotton because of the existence of large stocks of medium long staple cotton in the principal consuming countries and the present shortage of extra long staple in Egypt.

The Egyptian Prime Minister stated in a speech on September 9, 1942, that stocks of cotton in Egypt at the end of August were equivalent to 1,631,000 bales, mostly medium long staple, as shown in the following table. Stocks at the end of August 1941 were equivalent to 1,193,000 bales.

EGYPT: Stocks of cotton on hand August 31, 1942
by staple length and possessor.
(In bales of 478 pounds)

| Possessor | Extra long | Medium long | Total |
|--|------------|-------------|-----------|
| | staple a/ | staple | |
| | Bales | Bales | Bales |
| British Buying Commission (1940) | 37,000 | 139,000 | 206,000 |
| Anglo-Egyptian Buying Commission (1941) | 149,000 | 994,000 | 1,143,000 |
| Individuals | 156,000 | 126,000 | 282,000 |
| Total | 342,000 | 1,259,000 | 1,601,000 |
| Compiled from official sources. a/ Grade: not indicated. | | | |

Domestic consumption during the year ended August 31, 1942, was officially estimated at 169,000 bales as against 154,000 in 1940-41. Consumption in September 1942 continued on a high level, amounting to 14,100 bales compared with 11,800 bales for September 1941.

The condition of the 1942 crop is reported to be good, with insect damage lighter than last year. Picking did not begin on a large scale this year until early in September (about 10 days late), but local merchants believe the crop will be about 100,000 bales larger than the Government's first estimate of 725,000 bales. Their estimate is based on a belief that many farmers, anticipating higher prices for cotton in 1942 and 1943, illegally exceeded the acreage restrictions imposed by the

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Government. No production quotas are in effect, and there are no designated authorities to measure planted fields. A recent order forbids the growing of Zagora (1-1/8 to 1-1/4 inches staple length) in Lower and part of Middle Egypt in an effort to increase wheat acreage. Warm weather in September hastened the opening of late-maturing bolls. Yields per acre in Lower Egypt are expected to be 10 to 20 percent higher than last year and about equal in Upper Egypt, where damp weather prevailed during a part of August. The reports of higher yields refer particularly to Malaki, Karnak, Maarad, and Giza 7, all extra long staple varieties. The order also placed a limit of about 52,000 acres on the area to be planted to Malaki, one of the longest staple varieties grown in Egypt. About 53,000 acres were planted to this variety in 1942 compared with 37,000 in 1941 and 32,000 in 1940.

The Egyptian Prime Minister announced on September 9, 1942, that the Government is prepared to buy at a fixed schedule of prices (see Foreign Crops and Markets, November 16, 1942) all 1942-crop cotton offered not later than May 31, 1943, and delivered at Alexandria. At the same time, all contracts for future delivery, entered into prior to September 9, were canceled in order to protect the interests of farmers who may have found it necessary to sell earlier at lower prices. Open market prices for extra long staple cotton, however, are considerably higher than those offered by the Government, ranging as much as 4 cents per pound higher in interior markets. This is attributed largely to the existence of large amounts of uninvested capital in Egypt and the consequent speculative buying of cotton by many individuals or firms not previously engaged in cotton trade.

It was announced on October 6 that buying of Ashmouni and Zagora cotton would begin on November 15 and of all other varieties on December 15, 1942. The Government has also announced its intention of collecting half of all net profits exceeding 12 percent realized on 1942 cotton by any individual or firm engaged in cotton trading in Egypt.

CANADA TO PLANT EXPERIMENTAL HEMP CROP . . .

The Canadian Government has made arrangements to obtain enough hemp seed from the United States to plant about 2,000 acres in southwestern Ontario in 1943. The project is strictly a Government enterprise, and growers will receive compensation under contract on a basis of \$15 or \$20 per acre planted to hemp. The Government plans to purchase in the United States equipment valued at \$175,000 for installation in a pilot mill. Hemp was grown on a small scale in the Province of Manitoba for about 10 years prior to 1928 but has been virtually abandoned since the only processing mill in Canada ceased operations in 1928.

* * * * *

F R U I T S, V E G E T A B L E S, A N D N U T SSPANISH 1942 FILBERT CROP
SLIGHTLY LARGER THAN LAST YEAR . . .

The 1942 preliminary estimate of filbert production in Spain is 21,800 short tons, unshelled basis, as compared with 20,900 tons estimated to have been produced in 1941, and 22,000 tons in 1940. The estimate is below both the 5-year average (1936-1940) of 26,400 tons and the 10-year average (1931-1940) of 26,700 tons.

SPAIN: Estimated filbert production, unshelled basis,
1929-1942

| Year | Production | Year | Production |
|------------|------------|---------------------|------------|
| | Short tons | | Short tons |
| 1929 | 39,400 | 1937 | 32,000 |
| 1930 | 10,500 | 1938 | 28,000 |
| 1931 | 24,000 | 1939 | 24,200 |
| 1932 | 35,000 | 1940 | 22,000 |
| 1933 | 14,000 | 1941 | 20,900 |
| 1934 | 38,000 | 1942 a/ | 21,800 |
| 1935 | 24,000 | Average - 1936-1940 | 26,400 |
| 1936 | 26,000 | 1931-1940 | 26,700 |

Compiled from official sources.

a/ Preliminary estimate.

The growing conditions were reported as being generally satisfactory throughout the season. There was also ample labor available at harvest time. The quality of this year's filberts is said to be good.

The entire 1941 crop was disposed of before new-crop filberts appeared on the market. The exportation of filberts is prohibited by law; however, domestic consumption was extremely heavy. Filberts are now used to make an edible oil and flour, both items finding a ready sale in Spain due to the shortage of other foodstuffs.

The outlook for the 1942-43 marketing season is about the same as that for the previous season. At present there seems to be no indication that the prohibition on exports will be lifted, which will make it necessary to sell the entire crop within the country. The prevailing prices at Rens during the month of September were 18.6 United States cents per pound for unshelled, and 38.4 cents per pound of shelled filberts.

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L I V E S T O C K A N D A N I M A L P R O D U C T S

CANADIAN HOG NUMBERS

LARGEST ON RECORD . . .

Canadian hog numbers on June 1, 1942, totaled 7,133,000 head, or an increase of 16 percent compared with 1941. The annual increase was 37 percent in 1939-40, and 4 percent in 1940-41. Since 1939-40 the increase has been concentrated in western Canada. A further increase in hogs is anticipated, since a more favorable hog-feed price relationship exists this fall than in the spring, as a result of the higher price paid for Wiltshire sides by the British Government and the recent reduction in the price of barley.

CANADA: Number of hogs in eastern and western Canada,
June 1, 1942, with comparisons

| Principal Provinces | June 1 | | | | |
|------------------------|-----------|-----------|-----------|-----------|-----------|
| | 1938 | 1939 | 1940 | 1941 | 1942 |
| | Thousands | Thousands | Thousands | Thousands | Thousands |
| <u>Eastern -</u> | | | | | |
| Ontario | 1,430 | 1,546 | 1,998 | a/ | b/ |
| Quebec | 645 | 744 | 937 | a/ | b/ |
| Others | 170 | 180 | 203 | a/ | b/ |
| Total | 2,245 | 2,470 | 3,138 | 2,900 | 2,924 |
| <u>Western -</u> | | | | | |
| Manitoba | 219 | 311 | 499 | 501 | 708 |
| Saskatchewan . | 268 | 470 | 791 | 949 | 1,325 |
| Alberta | 707 | 993 | 1,371 | 1,705 | 2,093 |
| Others | 48 | 50 | 83 | 78 | b/ |
| Total | 1,242 | 1,824 | 2,744 | 3,233 | 4,209 |
| Total Canada ... | 3,487 | 4,294 | 5,882 | 6,133 | 7,133 |

Compiled from official sources.

a/ Revised details not available.

b/ Not available.

The number of spring pigs saved (December-May) amounted to 5,743,000, an increase of 15 percent above last season. A further increase in the fall crop (June-November) is indicated, as the number of sows expected to farrow is 17 percent greater than last fall. A larger than usual number of sows have been slaughtered, however, in recent months in both western and eastern Canada, the increase being larger than could be explained by the stoppage of exports to the United

States. It is expected that the December 1 survey of hog numbers will show over 8 million hogs on farms. That would provide more than 4 million hogs for inspected slaughter during December-May 1942-43.

Preliminary estimates point to an inspected slaughter of 6,400,000 hogs in the period December-November 1941-42, an increase of 2 percent above the preceding year and 23 percent above 1939-40, the first war year. This includes an estimate of inspected slaughter of 3,000,000 for the period June-December. That total will not be reached, however, unless the current lagging rate of slaughter is offset by a more rapid increase during the next few weeks than was the case last year.

CANADA: Pig crops and their disposition, 1937-38 to 1941-42

| Year and crop | Pigs saved | Increase on farms | Inspected slaughter | Other dis-appearances a/ | Exports |
|---------------|------------|-------------------|---------------------|-----------------------------|-----------|
| | Thousands | Thousands | Thousands | Thousands | Thousands |
| 1937-38 | | | | | |
| December-May | 2,822 | -193 | 1,804 | 1,209 | 2 |
| June-November | 2,801 | 82 | 1,441 | 1,275 | 3 |
| Total | 5,623 | -111 | 3,245 | 2,484 | 5 |
| 1938-39 | | | | | |
| December-May | 3,641 | 725 | 1,627 | 1,287 | 2 |
| June-November | 3,726 | 476 | 1,873 | 1,373 | 4 |
| Total | 7,367 | 1,201 | 3,500 | 2,660 | 6 |
| 1939-40 | | | | | |
| December-May | 5,073 | 1,112 | 2,403 | 1,557 | 1 |
| June-November | 4,775 | 235 | 2,796 | 1,738 | 6 |
| Total | 9,848 | 1,347 | 5,199 | 3,295 | 7 |
| 1940-41 | | | | | |
| December-May | 5,048 | 67 | 3,262 | 1,705 | 14 |
| June-November | 4,997 | 252 | 2,987 | 1,735 | 23 |
| Total | 10,045 | 319 | 6,249 | 3,440 | 37 |
| 1941-42 | | | | | |
| December-May | 5,743 | 747 | 3,397 | 1,598 | 1 |
| June-November | b/ 5,800 | b/ 1,100 | b/ 3,000 | b/ 1,700 | b/ 4 |
| Total | b/ 11,543 | b/ 1,847 | b/ 6,397 | b/ 3,298 | b/ 5 |

Official estimates unless otherwise indicated by footnote.

a/ Farm and local slaughter, deaths, error of estimate, etc.

b/ Estimate of Agricultural Attache C.C. Taylor.

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Pork supplies were no greater this summer than a year ago, despite the larger pig crops. Weekly inspected slaughterings have been down to 80,000 to 90,000 hogs for many weeks but may be expected to rise to about double the recent volume within the next few weeks. Several possibilities may have delayed marketings: The retention of a large number of gilts for breeding; feeding to heavier weights; and the delay in threshing, which may have caused some farmers to be short of feed until the new grain became available. Canadian farmers have been encouraged to feed hogs to heavier weights. In January light-weight hogs generally were debarred from market and in March the price discount on grade B hogs weighing over 175 pounds was removed.

Temporarily packers have been prohibited from selling for domestic consumption more than 50 percent of the 1940 weekly average of their pork sales instead of the 75 percent that had been in effect since June 1941. Official figures of pork consumption are not yet available, but it is estimated that it may have been reduced to approximately 650 million pounds compared with the record of 692 million pounds in 1941. Production in 1942 is provisionally estimated at 1,250 million pounds, an increase of 5 percent above 1941. Production has increased a little more than 60 percent since 1939 as a result of the desire to meet the British wartime demands for Canadian Wiltshire sides. The wartime contracts with the United Kingdom have increased from 291 million pounds in 1939-40 to 675 million pounds in 1942-43.

ARGENTINE HOG PRODUCTION AT RECORD HIGH LEVEL . . .

Argentine hog production continued at record high levels in the third quarter of 1942. Prices continued relatively high but a little below the June level and were more in line with what packers felt justified in paying in view of the 1941-42 British Contract price (October-September). Continued low prices of corn make feeding operations profitable.

Receipts of hogs at packing plants and Liniers Market established an all-time record during the 3-month period ended September 30. Receipts totaled approximately 609,000 head, an increase of 25.3 percent above the preceding quarter and 65 percent above the same quarter of 1941. Preliminary estimates indicate an all-time monthly record of 239,000 head received in September. The average weight of hogs in the July-September period was 231 pounds. This is the weight desired by packers, and some favor a heavy price discount on hogs of heavier weights.

The new British Contract has not been officially announced. It is reported that the British are asking for an extension of the present

contract to the end of the year with the contract being negotiated on a calendar-year basis. Reports from local sources state that the new contract may be for 80,000 metric tons (176 million pounds) of frozen boneless pork, at least, or double the 1941-42 contract.

Exports of pork for the period January-September 1942 totaled 93 million pounds, an increase of 95 percent above the same period of 1941. Pork exports totaled 77 million pounds in 1941 compared with the unusually small exports of 7 million pounds in 1940. Exports for the 5-year period 1934-1938 averaged 42 million pounds. The bulk of the exports consisted of frozen pork.

Hog numbers totaled 4,980,000 as of September 30, 1941, an increase of 47.3 percent above 1938. Present numbers are believed to be larger than in 1941, with further increases indicated as a result of the favorable hog-feed price ratio.

BUENOS AIRES: Price per pound of hogs and corn and
hog-corn ratio, 1940-1942

| Month | Hogs | | | Corn | | | Ratio | | |
|------------|-------|-------|--------|-------|--------|--------|-------|------|------|
| | 1940 | 1941 | 1942 | 1940 | 1941 | 1942 | 1940 | 1941 | 1942 |
| | Cents | Cents | Cents | Cents | Cents | Cents | | | |
| January . | 6.21 | 3.78 | 4.32 | 0.84 | - | - | 7.4 | - | - |
| February . | 6.08 | 4.73 | 4.46 | 0.71 | - | - | 8.5 | - | - |
| March ... | 5.54 | 4.59 | 4.73 | 0.70 | - | - | 7.9 | - | - |
| April ... | 4.86 | 4.32 | 5.13 | 0.63 | - | - | 7.7 | - | - |
| May | 4.73 | 4.32 | 5.94 | 0.58 | - | - | 8.1 | - | - |
| June | 4.32 | 4.32 | 5.94 | 0.55 | - | - | 7.8 | - | - |
| July | 4.05 | 4.59 | 5.27 | 0.58 | - | - | 6.9 | - | - |
| August .. | 3.78 | 4.73 | 5.13 | 0.57 | - | - | 6.7 | - | - |
| September | 3.78 | 4.73 | a/5.54 | 0.54 | - | c/0.41 | 7.0 | - | 13.7 |
| October . | 3.78 | 4.66 | - | 0.47 | b/0.24 | - | 8.0 | 20.0 | - |
| November . | 3.78 | 4.73 | - | 0.42 | b/0.24 | - | 8.9 | 19.5 | - |
| December | 3.65 | 4.46 | - | 0.39 | b/0.24 | - | 9.2 | 18.3 | - |

Compiled from official sources.

a/ Preliminary.

b/ Estimated.

c/ Price is the Buenos Aires Grain Market Quotation.

CUBAN LARD SHORTAGE CONTINUES . . .

Current small lard imports have accentuated Cuba's shortage of edible fats and oils, as lard normally supplies 85 percent of total

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consumption. The United States is the chief source of Cuban lard imports, and Cuba has been the most important Latin American outlet for United States lard in recent years. United States exports of lard at present for other than Lend-Lease purposes are limited.

September imports, according to ships' manifests, fell to the unprecedented low level of 737,000 pounds, 556,000 pounds from the United States and 181,000 pounds from Argentina. United States exports of lard to Cuba averaged 3,326,000 pounds monthly in the 5 years, 1935-1939, rose to 5,617,000 in 1940, and were even larger in 1941. Arrivals of lard in Cuba totaled only 50,391,000 pounds in the first 9 months of 1942, a decrease of 20 percent compared with the same period of 1941. Argentina has supplied 3,226,000 pounds so far in 1942.

Lard consumption in September apparently fell materially below average monthly consumption, estimated at 6,000,000 pounds. Stocks of lard, including compound and artificial edible tallow and hydrogenated lard, totaled 6,723,000 pounds on August 31. Imports totaled only 737,000 pounds during September, and stocks at the end of September amounted to only 3,495,000 pounds.

The shortage of lard has forced a wider use of compound lard and of substitute vegetable oils, although arrivals of these oils during September were practically nil. There has been an increase of 15 percent in imports of vegetable oils, however, in the 9-month period, imports totaling 10,216,000 pounds. Stocks of vegetable oils on September 30, 1942, were about twice as large as lard stocks.

Ceiling prices on hog lard and soybean oil in the metropolitan area of Habana were established by Resolution No. 54 of October 15. The price of hog lard to the retailer is fixed at \$23 per Spanish quintal of 46 kilograms (\$23 per 100 pounds) and the price to the public at 26 centavos (26cents) per pound (460 grams). It is prohibited to sell hog lard and soybean oil at prices higher than those established, whatever may be the type or class of the product.

DENMARK STARTS TO PRODUCE ANGORA WOOL . . .

Denmark has recently established an angora wool-spinning factory. There are approximately 20,000 angora rabbits in Denmark with a three- or fourfold increase expected next year. Each rabbit generally produces about 500 grams (about 1 pound) of wool annually. The Scandinavian Rabbit Company is engaged in producing angora yarn, consisting of 75 percent angora and 25 percent sheep's wool.

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-----ARGENTINE WOOL EXPORTABLE
SURPLUS LARGE . . .

Argentina's probable exportable surplus of wool for the 1942-43 season is estimated at 578 million pounds, an increase of 28 percent above 1941-42. ^{1/} This estimate does not take into consideration the wool sold to occupied countries of Europe and not expected to be exported this season. Potential apparent supplies, including this wool, for the 1942-43 season are about 20 percent larger than for 1940-41, when the season closed with large stocks on hand which could not be delivered to the occupied countries of Europe after the fall of France.

Production for 1942-43 is provisionally estimated at 518 million pounds, an increase of 5 percent above the revised estimate of 494 million pounds for last season. Wool production has been increasing since the 348 million pounds reported in 1934. The new estimate is 40 percent larger than the average for the 5 years 1934-1938.

There apparently has been some tendency to increase production of the finer wools. Fine crossbred wool has represented about 34 percent of the total beginning with 1939-40. The proportion of Merino wool in the total has shown a steady increase from 11 percent in 1937-38 to 14 percent in 1942-43. Coarse crossbred this year will furnish 32 percent of production and medium crossbred 20 percent.

The outlook for the disposal of fine wools is better than for coarse wool, as the fine wools are in demand in the United States for military purposes. Prior to the war the United States took the bulk of the Argentine low crossbred wool, but the restrictions placed on carpet production here have lessened the demand for that type.

Approximately 159 million pounds of wool, exclusive of that sold to occupied countries and held to their account, were carried over on September 30. This was more than three times as much as last season, when comparable stocks were estimated at 46 million pounds. It is rumored that the Argentine Government is taking steps to aid growers and exporters.

There has been a steady increase in the domestic consumption of wool for manufacture in Argentina. It is estimated that the Argentine textile industry will absorb 99 million pounds this season. This is an increase of 80 percent above pre-war requirements. The quantity used for domestic consumption, however, represents only a small proportion, or about one-seventh of total available supplies.

Last season exports were unusually small owing to several factors; (1) The lack of shipments to occupied European countries and Japan; (2) Delayed purchases by United States buyers until this Government's price

^{1/} Estimate of Buenos Aires Branch, First National Bank of Boston.

and conservation policies were clarified; and (3) holding out by Argentine growers and exporters for higher prices than were offered by United States buyers. This situation continued until the United States domestic clip came on the market and further delayed purchases of foreign wool. ^{1/} Exports to the United States fell to 220 million pounds and were 42 percent smaller than in 1940-41. At the same time, exports to Japan, which had purchased 31 million pounds in 1940-41, fell to only 1 million in 1941-42. There were no exports to Russia in 1941-42, although in 1940-41 that country took 13 million pounds. Sweden took a little more wool than a year ago, or about 6 million pounds. There was some support given the market by sales to other Latin American countries the past season; especially Brazil and Mexico, which took 5 million pounds and 4 million pounds, respectively.

ARGENTINA: Carry-over, production, consumption, and exports,
1934-1942

| Season | Stocks at beginning October 1 | Production | Apparent supplies | Estimated consumption | Exportable surplus | Actual exports |
|------------|-------------------------------------|-------------------|----------------------|--------------------------|-----------------------|-------------------|
| | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds |
| 1934 | 42 | 348 | 390 | 51 | 339 | 326 |
| 1935 | 13 | 365 | 378 | 55 | 323 | 301 |
| 1936 | 22 | 374 | 396 | 57 | 339 | 315 |
| 1937 | 24 | 366 | 390 | 57 | 333 | 293 |
| 1938 | 84 | 399 | 483 | 55 | 428 | 375 |
| Average | 37 | 370 | 407 | 55 | 352 | 322 |
| 1939 | a/ 53 | 443 | 496 | 66 | 430 | 309 |
| 1940 b/ .. | 121 | 474 | 595 | 66 | 529 | 448 |
| 1941 c/ .. | 81 | 494 | d/ 575 | 88 | d/ 487 | 293 |
| 1942 c/ .. | 194 | 518 | d/ 712 | 99 | d/ 624 | e/ |
| 1941 | f/ 46 | 494 | 540 | 88 | g/ 452 | 293 |
| 1942 | f/ 159 | 518 | 677 | 99 | g/ 578 | e/ |

Estimates of Buenos Aires Branch First National Bank of Boston revised at end of season to take care of discrepancies.

a/ Revision based on official stock figures. b/ Estimates as revised by American agricultural attache, Buenos Aires. c/ Calculations using the Bank's estimate of production and consumption but including all stocks, whether sold or unsold. These figures are subject to revision. They are comparable with earlier figures. d/ Potential. e. Not available.

f/ These stocks are exclusive of wool held to the account of occupied European countries and not expected to be exported this season.

g/ Probable surplus for export, according to Bank.

* * * * *

^{1/} See Foreign Crops and Markets, November 16, for detailed wool exports by countries.

GENERAL AND MISCELLANEOUS

FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average value in New York of specified currencies,
November 14, 1942, with comparisons a/

| Country | Monetary unit | Year 1941 | Month | | | | Week ended | | |
|----------------------|------------------|--------------|--------|--------|--------|--------|------------|-----------|------------|
| | | | 1940 | 1941 | 1942 | | 1942 | | |
| | | | Oct. | Oct. | Sept. | Oct. | Oct. 31 | Nov. 7 | Nov. 14 |
| | | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| Argentina b/ | Paper peso | 29.77 | 29.77 | 29.77 | 29.77 | 29.77 | 29.77 | 29.77 | 29.77 |
| Australia c/ | Pound | 321.27 | 321.29 | 321.37 | 321.50 | 321.50 | 321.50 | 321.50 | 321.50 |
| Brazil d/ .. | Milreis | 5.07 | 5.02 | 5.08 | 5.14 | 5.15 | 5.15 | e/5.15 | e/5.15 |
| British India | Rupee | 30.14 | 30.17 | 30.15 | 30.12 | 30.12 | 30.12 | 30.12 | 30.12 |
| Canada c/ .. | Dollar | 87.32 | 86.32 | 88.78 | 87.82 | 87.63 | 88.16 | 87.91 | 88.28 |
| Mexico f/ .. | Peso | 20.54 | 20.33 | 20.57 | 20.57 | 20.57 | 20.57 | 20.57 | 20.57 |
| New Zealand | Pound | 322.54 | 322.55 | 322.63 | 322.78 | 322.78 | 322.78 | 322.78 | 322.78 |
| South Africa | Pound | 398.00 | 398.00 | 398.00 | 398.00 | 398.00 | 398.00 | 398.00 | 398.00 |
| United Kingdom c/ | Pound | 403.18 | 403.26 | 403.29 | 403.50 | 403.50 | 403.50 | 403.50 | 403.50 |

Federal Reserve Board.

a/ Noon buying rates for cable transfers.

b/ Official, regular exports. The special export rate of 23.70 cents, reported beginning March 27, 1941, applies to exchange derived from certain minor exports (e.g. dairy products) to certain countries (e.g. United States), such exchange formerly having been sold in the free market. Quotations nominal.

c/ Free. Official rates; Australia 322.80 cents; Canada 90.91 cents; United Kingdom 403.50 cents. Most transactions between these countries and the United States must take place at the official buying and selling rates.

d/ Free. Since April 10, 1939, 30 percent of the exchange derived from exports must be turned over at the official buying rate of 6.06 cents, the weighted average value of the milreis being 5.37 cents in 1941, 5.42 cents in October, 1942 and 5.42 cents in the week ended November 14, 1942. Quotations nominal.

e/ Cruzeiro.

f/ Quotations nominal for 1940 and 1941.

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EXCHANGE RATES: Average value in New York of Chinese, Japanese, and some European currencies during last full months for which rates were available, and current official rates

| Country | Unit | New York rates <u>a/</u> | Current official rates |
|----------------|------------------|-----------------------------------|------------------------|
| | | Month : Cents | Cents |
| Belgium | :Belga | :April 1940 ... : 16.89 | : <u>b/</u> 16.00 |
| Denmark | :Krone | :March 1940 : 19.31 | : 20.88 |
| France | :Franc | :May 1940 : 1.85 | : <u>c/</u> 2.00 |
| Germany | :Reichsmark | :May 1941 : <u>d/</u> 39.97 | : 40.00 |
| Greece | :Drachma | :September 1940 : <u>d/</u> 0.66 | : 0.67 |
| Italy | :Lira | :May 1941 : <u>d/</u> 5.09 | : 5.26 |
| Netherlands .. | :Guilder | :April 1940 ... : 53.08 | : 53.08 |
| Norway | :Krone | :March 1940 ... : 22.71 | : 22.86 |
| Portugal | :Escudo | :May 1941 : 4.00 | : <u>e/</u> 6.67 |
| Spain | :Peseta | :May 1941 : <u>d/</u> 9.13 | : 9.13 |
| Sweden | :Krona | :May 1941 : 23.84 | : 23.81 |
| Switzerland .. | :Franc | :May 1941 : 23.20 | : 23.20 |
| China | :Yuan (Shanghai) | :June 1941 : <u>d/</u> 5.34 | : <u>f/</u> 5.31 |
| Japan | :Yen | :June 1941 : 23.44 | : 23.44 |

a/ Noon buying rates for cable transfers as reported by the Federal Reserve Board. Last daily rate reported on April 8, 1940, for the Danish and Norwegian kroner; on May 9, 1940, for the belga and guilder; on June 15, 1940, for the French franc; on October 26, 1940, for the drachma; on June 14, 1941, for the other European currencies; and on July 26, 1941, for the yen and yuan (Shanghai).

b/ Based on German official rate for United States dollar.

c/ Based on German official rate for United States dollar in occupied area; in unoccupied area official rate if 2.28 cents.

d/ Quotations nominal.

e/ Rate for currency; for checks, 4.09 cents to the escudo.

f/ Rate set August 18, 1941, by Chinese Stabilization Board.

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